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Before the
Federal Communications Commission
Washington, D.C. 20554

Dec 24 7 33 AM '03

In the matter of)
Investigation of Alascom, Inc.)
Interstate Transport and Switching Services)
Alascom, Inc. Transmittal No. 1281) CC Docket No. 95-182
Revisions to Tariff FCC No. 11)
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)
)

ORDER**Adopted: December 23, 2003****Released: December 23, 2003**

By the Chief, Pricing Policy Division, Wireline Competition Bureau:

I. INTRODUCTION

1. On November 25, 2003, Alascom, Inc. (Alascom) filed Transmittal No. 1281 to revise its Tariff FCC No. 11 rates for switching and transport services provided to other common carriers within the state of Alaska and between Alaska and the continental United States. The proposed rates are scheduled to become effective on January 1, 2004. Under this transmittal, Alascom proposes to reduce its per minute transport and switching rates for service to intra-Alaska bush and non-bush locations (that is, between Alaska local exchange carrier offices and Alascom's switching center) and increase its per minute bush and non-bush transport rates for traffic between Alaska and the continental United States (that is, between Anchorage and an unspecified point in the continental United States). In this order we suspend the effectiveness of Transmittal No. 1281 for one day, impose an accounting order, set it for investigation, and consolidate the investigation of Transmittal No. 1281 with the investigation of Alascom's original Tariff FCC No. 11, and all subsequent annual revisions to this original tariff.¹

¹ Since Alascom filed its first Tariff FCC No. 11 in 1995, the Bureau has suspended each annual Tariff FCC No. 11, imposed an accounting order, and instituted an investigation. After instituting an investigation of Alascom's first Tariff FCC No. 11 in 1995, the Bureau consolidated the investigations of subsequent annual transmittals with this initial investigation. See *Alascom, Inc., Tariff FCC No. 11, Transmittal No. 790*, CC Docket No. 95-182, Order, 11 FCC Rcd 3703 (Com. Car. Bur. 1995) (1996 rates) (*Transmittal No. 790 Suspension Order*); *Transmittal No. 807*, CC Docket No. 95-182, Order, 11 FCC Rcd 10833 (Com. Car. Bur. 1996) (also 1996 rates); *Transmittal No. 852*, Order, 12 FCC Rcd 3646 (Com. Car. Bur. 1997) (1997 rates); *Transmittal No. 921*, Order, 13 FCC Rcd 187 (Com. Car. Bur. 1997) (1998 rates); *Transmittal Nos. 921, 937, 941 and 942*, Order, 13 FCC Rcd 4659 (Com. Car. Bur. 1998) (also 1998 rates); *Transmittal No. 993*, Order, 13 FCC Rcd 25055 (Com. Car. Bur. 1998) (1999 rates); *Transmittal No. 1088*, Order, 15 FCC Rcd 6 (Com. Car. Bur. 1999) (2000 rates); *Transmittal No. 1184*, Order, 16 FCC Rcd 19 (Com. Car. Bur. 2000) (2001 rates); *Transmittal No. 1260*, Order, 17 FCC Rcd 24 (Com. Car. Bur. 2001) (2002 rates); *Transmittal No. 1278*, CC Docket No. 95-182, Order, DA 03-3454 (WCB rel. Oct. 30, 2003) (2003 rates)

II. CONTENTIONS

2. On December 10, 2003, General Communication, Inc. (GCI) and ACS-Long Distance (ACS-LD) filed petitions to suspend and investigate the above transmittal. They ask the Commission to suspend Alascom's Transmittal No. 1281, enter an accounting order, order an investigation of Alascom's proposed tariff, and consolidate this investigation with the pending investigation of Alascom's prior Tariff FCC No. 11 transmittals.² GCI and ACS-LD claim that Alascom's proposed rates are unjustified because Alascom has admitted deficiencies in the Cost Allocation Plan (CAP) underlying its proposed rates in its petition for waiver of its annual tariff filing requirement.³ GCI also points to Alascom's acknowledgement that, "data problems affected the rate making process in certain past transmittals," and Alascom's commitment to "rectify such discrepancies with the relevant customer promptly."⁴ GCI further contends that Alascom has done nothing to narrow the gap between bush and non-bush switching rates. GCI claims that such a gap is unjustified because Alascom provides switching for both bush and non-bush areas through a single switching center in Anchorage.⁵ Finally, GCI claims that the lack of detail in Alascom's cost support makes it difficult to analyze the proposed rates, and urges the Commission to require Alascom "to provide the CAP, all cost models and its cost study in electronic format for full analysis."⁶

3 Alascom replies that it has used the CAP in compliance with the Commission's prescribed methodologies and devoted significant resources to ensuring the accuracy and completeness of its rate making process.⁷ Alascom further replies that there are no data reporting errors underlying the rates in Transmittal No. 1281.⁸

III. DISCUSSION

4. We have reviewed the above transmittal, its supporting materials, *GCI's Petition*, *ACS-LD's Petition*, and *Alascom's Opposition*. We find that Transmittal No. 1281 raises the same issues regarding rate level, rate structures, and terms and conditions of service as those identified in our prior suspension orders for Alascom's annual Tariff FCC No. 11 filings. We also find that Transmittal No. 1281 raises questions regarding the adequacy of Alascom's cost support and the extent to which the rates, terms, and conditions in the proposed tariff comply with the Communications Act and relevant Commission orders. We conclude, therefore, that significant questions of lawfulness exist concerning Alascom's Transmittal No. 1281. Accordingly, we suspend the provisions of Transmittal 1281 for one day from its effective date,

² Alascom Inc., Transmittal No. 1281, Petition of GCI to Suspend and Investigate at 1, 5 (filed Dec. 10, 2003) (*GCI Petition*); Statement of Current Position of ACS-LD and Petition to Suspend and Investigate Transmittal No. 1281 at 3 (filed Dec. 10, 2003) (*ACS-LD Petition*).

³ *GCI Petition* at 2-3; *ACS-LD Petition* at 4. See also *Alascom Petition for Waiver of Commission's Rules Regarding its Annual Tariff FCC No. 11*, WC Docket No. 03-18 (filed Jan. 7, 2003).

⁴ *GCI Petition* at 3. See also Alascom, Inc., Tariff FCC No. 11, Transmittal No. 1281, Description and Justification at n 6.

⁵ *GCI Petition* at 6-7.

⁶ *Id.* at 7-8.

⁷ Alascom Inc., Transmittal No. 1281, Opposition of Alascom to Petitions of GCI and ACS-LD to Suspend and Investigate at 2 (filed Dec. 17, 2003) (*Alascom Opposition*).

⁸ *Id.* at 3.

set those provisions for investigation, and consolidate the investigation of Transmittal No. 1281 with the investigation initiated in the *Transmittal 790 Suspension Order*. Alascom's proposed rate changes in Transmittal No. 1281 will also be subject to an accounting order to facilitate any refunds that may later be necessary. Our accounting order will ensure that GCI, ACS-LD, and any other Tariff FCC No. 11 customers will be able to receive refunds of any amounts improperly charged should the Commission ultimately determine that Alascom's tariff is unlawful.

IV. *EX PARTE* REQUIREMENTS

5. This investigation is a permit-but-disclose proceeding and is subject to the requirements of section 1.1206(b) of the Commission's rules, 47 C.F.R. § 1.1206(b), as revised. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented is generally required. Other rules pertaining to oral and written presentations are also set forth in section 1.1206(b).

V. ORDERING CLAUSES

6. Accordingly, IT IS ORDERED that, pursuant to sections 204(a) and 205 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 204(a) and 205, and through the authority delegated pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the revisions to Alascom Inc.'s Tariff FCC No. 11 contained in Transmittal No. 1281 ARE SUSPENDED for one day from its effective date and an investigation of Transmittal No. 1281 IS INSTITUTED and incorporated with the investigation instituted in CC Docket No. 95-182.

7. IT IS FURTHER ORDERED that Alascom, Inc. SHALL FILE tariff revisions by January 8, 2004, to reflect this suspension. Alascom, Inc. should cite the "DA" number on the instant order as the authority for the filing.

8. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i) and 204(a), and through the authority delegated pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, Alascom, Inc. SHALL KEEP ACCURATE ACCOUNT of all amounts received by reason of the rates that are the subject of this investigation.

9. IT IS FURTHER ORDERED that the petitions to suspend and investigate Alascom, Inc.'s Transmittal No. 1281 filed by General Communication, Inc. and ACS-Long Distance ARE GRANTED to the extent indicated herein.

FEDERAL COMMUNICATIONS COMMISSION



Tamara L. Preiss
Chief, Pricing Policy Division
Wireline Competition Bureau